USAID/Burundi ANNUAL REPORT FY 2003

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A. Program Level Narrative

Program Performance Summary:

Introduction & Background: Since independence in 1962, Burundi has had a minority government, episodes of civil war and explosions of violence. The 1972 cycle of violence, in particular the reprisal Tutsi government killings of Hutu civilians was termed "genocidal in nature" by the United Nations. Civil conflict caused major refugee flows in 1972-73, 1988, 1993-94, and a constant stream from 1996 to the present. Currently, there are an estimated 820,000 Burundian refugees in Tanzania, of which more than 350,000 are in refugee camps. There are also nearly 400,000 Burundians that have been internally displaced. Conflict has been on going in Burundi since the 1996.

Spurred by the peacemaking efforts of Nelson Mandela, nineteen political parties representing all but two factions signed the Arusha Peace and Reconciliation Agreement (APRA) in August 2000. A political agreement, APRA did not include the armed rebel factions the Forces for Defense of Democracy (FDD) and the National Front for Liberation (FNL) and civil war has continued. Nonetheless, in order to demonstrate strong international interest in achieving peace in Burundi, the donor community pledged a total of \$823 million at the Paris Conference in December 2000 and the Geneva Round Table meeting in December 2001. Additional pledges at the Geneva Donor Conference held in November 2002 brought the total up to \$905 million to support war recovery efforts, but not reaching the \$1.2 billion requested by Burundi.

The Transitional Government took office on November 1, 2001 with Pierre Buyoya as president. On May 1, 2003, as required under APRA, Domitien Ndayizeye, the Hutu vice-president is slated to succeed him. A multi-ethnic Senate and National Assembly were inaugurated in January 2002. On December 3, 2002 the FDD and the Government of Burundi finally reached a cease fire agreement. However, some conflict is expected to continue in the near-term as the FNL and the government negotiations have not yet led to a cease-fire. Burundians are hopeful that if the full inclusion of rebel groups in the transitional government is realized, Burundi will move from conflict to peace, from relief to development.

The social consequences of conflict, poor governance and dismal economic performance have been grim. School attendance dropped from 52 percent in 1992 to 47 percent in 2000, with over 600 schools destroyed. Infant mortality increased from 100/1000 in 1993 to 106/1000 in 1999, and life expectancy dropped from 55 years in 1993 to 43 years in 2001. HIV/AIDS infection rates are about 19 percent in urban areas and 7 percent in rural areas. There are an estimated 230,000 AIDS orphans, 25,000 war orphans, 14,000 child soldiers, 5,000 street children, and 5,000 child-headed households. Burundi's UN Human Development Index declined from 0.341 in 1992 to 0.288 in 1999, ranking it 170 of 174 countries.

U.S. Interests and Goals: The FY 2001-2003 Burundi Mission Performance Plan's foremost priority is "to break the cycle of civil wars and massive killings by supporting the Burundian peace process, democratization, and protection of human rights." USG priority foreign policy interests in Burundi also include combating HIV/AIDS, promoting trade and investment, fostering the rule of law, supporting human capacity development, and encouraging policy reform needed to underpin social and economic development. USAID's assistance during FY02 addressed US goals specifically through support to democratization, health improvement, economic development, and grass roots peace initiatives. Through USAID/REDSO and USAID/OTI interventions, the U.S. Mission to Burundi encourages all parties in the conflict to work toward a cease-fire and to establish participatory governance and a state capable of responding to the needs of the Burundian people. Through USAID/OFDA and USAID/FFP humanitarian needs will continue to be met, and it is anticipated that the need will remain substantial as the conflict continues. It is anticipated that in a post-conflict setting USAID/OFDA and USAID/FFP efforts will intensify over the short-term as a substantial increase in humanitarian assistance will be required.

USAID's strategy in Burundi for FY02 has been consonant with the Agency goals of:

- #1 Broad-based economic growth and agricultural development encouraged
- #2 Democracy and good governance strengthened

- #4 World population stabilized and human health protected
- #6 Lives saved, suffering associated with natural or man-made disasters reduced, and conditions for political and/or economic development reestablished.

Beneficiaries: Male and female farmers benefit from the agriculture revitalization program, in terms of both food and income. DCHA/FFP provided food aid to an average of 535,400 Burundians per month in 2002. In addition to relief feeding, food is provided to children in nutritional feeding centers, refugees and returnees, and vulnerable people in social centers, including those affected by HIV/AIDS. The HIV/AIDS prevention and awareness campaigns and condom distribution now cover nine provinces, and awareness messages are transmitted through a variety of media, including radio, theatre, music concerts, posters and sporting events. Young people who are vulnerable to manipulation by the elite to incite violence, are the focus of activities which include conflict resolution training, giving them a positive role to play in the community. Women's groups and community organizations are becoming active in civil society. USAID-supported independent radio now has a transmitter capacity to reach a regional audience, including eastern Congo and refugee camps in western Tanzania, informing the audience on human rights, the progress of the peace process, inheritance rights of women, land tenure issues, HIV/AIDS, legal assistance, and peace and reconciliation.

Challenges: The continued fighting in Burundi is a substantial challenge to the success of USAID's program. Population displacements and general insecurity interfere with sustained efforts of USAID partners to promote a peaceful transition. 2002 has been no less violent than previous years, with intense fighting between rebel groups and the government. The cease-fire agreement signed between the FDD and government of Burundi on December 3rd may serve the transition to peace, however, the agreement was signed under intense international pressure and the implementation of key features, including an African peace-keeping force remain vague.

A second major challenge is the failure by the government to implement several key conditions of the APRA including reform of the military. APRA calls for not more than 50% of the national defense force to be drawn from any one ethnic group. Identifying and quickly training Hutu officers would be a challenge, and the government's refusal has been predicated on the continued fighting.

Finally, economic revitalization is confronted by significant challenges. In 2001 the gross national product per capita was \$100. Cash crops constitute only 9% of the agricultural output, of which coffee generates 80% of the total export earnings, which have declined along with the international prices of coffee. Ninety percent of the population practices subsistence farming, but with a population of 6.8 million each household has only 0.5 hectares of land. Burundi already has the second highest population density in sub-Saharan Africa, and with a population growth rate of 2.9% annually, it will double in 25 years. Seventy percent of the population is below the poverty level, with the highest incidence among farmers. Burundi's external debt in November 2001 was \$1.2 billion and debt servicing required 60% of national expenditures. In 2000 and 2001, \$823 million in assistance was pledged, but as of June 2002 only \$148 million had been disbursed, because many donors linked their pledges to a cease-fire.

Even absent the woes generated by poor governance, civil conflict and environmental degradation, Burundi's development challenges would be daunting. Sanctions imposed by the international community furthered Burundi's economic decline. Foreign aid fell from \$300 million in 1993 to \$48 million in 2001. With little trade and finance, the economy stagnated. There was a significant deterioration of macroeconomic balances, including a more than doubling of external debt arrears from 1996 to 1999. There was also a worsening of poverty. By 2001, 70 percent of the population was below the poverty level, compared with 40 percent in 1994. The incidence of poverty is highest for farmers and lower for public sector and private formal sector workers. Self-sufficient in food before the civil conflict, Burundi's food production in 2000 was markedly lower than its pre-conflict levels. The economy, dominated by agriculture, which employs 90% of the labor force, regressed by 18 percent during the same period. In January 1999, the sanctions were lifted to prevent further deterioration.

As noted last year, the continued applicability of section 508 of the Foreign Assistance Act that, absent a waiver, prohibits bilateral assistance to the government of Burundi places constraints on the assistance

provided. USAID/OTI initiated a program in FY02 that, given their notwithstanding authority, allows targeted assistance to the government in Burundi. However interventions targeting the agriculture sector remain restricted.

Key Achievements: Substantial progress has been made under the special objective. USAID activities supported Burundi's implementation of APRA, and sustained vulnerable groups severely affected by the civil conflict. USAID/OTI began a program to orient and train new Burundian legislators, initiated public outreach activities, supported committees to be implemented by the National Democratic Institute and the International Republican Institute, and provided small grants to encourage popular support for the APRA. USAID-funded Studio Ijambo, a radio studio with both Hutu and Tutsi journalists, expanded its technical and material support to stations in eastern Congo and Tanzania to provide regional news. A new independent radio station was launched in October 2002, which broadcasts 15 hours daily in three languages, on themes from news and AIDS awareness to peace, reconciliation and human rights. Hutu and Tutsi women have been trained to act as peacemakers in communities and in the camps of displaced people. A focus on youth, youth organizations, and young elite, whose activism forewarns of increases in community violence, reduced instances of ethnic violence perpetrated by young people. Civil society organizations developed a greater understanding of democratic governance and APRA. Legal specialists were trained on domestic law issues, a review of case law on women's property rights was published, a Guide to APRA was published in Kirundi. Joint workshops were organized to gain insights from truth and reconciliation commissions in five other countries and how to apply them to Burundi. HIV/AIDS was tackled through the distribution of condoms by establishing a system of community-based distribution in the provinces using pharmaceutical, commercial and community channels. Messages about AIDS and condoms were transmitted to an estimated 23,000 youth and displaced people through theatre, music and sporting events, where 15,000 Prudence condom brand stickers were also distributed. In FY 2002, USAID/OFDA provided more that \$13 million in hyumanitarian assistance. The OFDA Burundi program responded to needs in nutrition, emergency health, food security, water and sanitation, and ron-food items, while strengthening the capacity of early warning and crisis management structures to respond rapidly to new crises. DCHA/FFP provided food aid to an average of 535,400 beneficiaries per month in 2002, through World Food Program's Great Lakes Regional Protracted Relief and Recovery Operation (PRRO). In addition to relief feeding, WFP provided food to nutritional feeding centers, refugees and returnees, and vulnerable people in social centers, including those affected by HIV/AIDS. The U.S is the largest contributor to WFP's Burundi country program. In 2002 the FFP contribution totaled 4,620 Metric Tons, valued at \$2.4 million, which was significantly less than the year before due to a sizeable carryover from 2001. In addition 130 MT of Title II Development food assistance was contributed through WFP.

Conflict: Conflict is the operative factor that affects every USAID intervention in Burundi. Conflict has rendered many parts of the country inaccessible and occasionally threatened the capital, Bujumbura. Civilians have been caught in the crossfire or specifically targeted. Given the continuing instability and conflict, an increase of violence remains a possibility. While a successful or unsuccessful coup has been identified as a possible trigger for a rapid slide into widespread violent conflict that could jeopardize continued implementation of APRA, other triggers include the departure of the South African Protection Force following a series of incidents where they are specifically targeted, or the assassination of important political leaders on either or both sides that would not be part of a serious coup attempt. USAID has developed a scenario-based interim strategic plan that would allow for a shift in program implementation if the situation deteriorates, improves, or remains static.

Gender: Burundi suffers from a gender divide. Women and girls, who have traditionally been disadvantaged (e.g., excluded from decision-making, lower school enrolment and literacy rates), have suffered even more from the conflict. Violence against women has risen with the war, and the 44 percent of households in refugee camps headed by women are more vulnerable to poverty. The new strategy incorporates gender issues into each of the new strategic objectives.

Trade Capacity: Burundi is a participating member of the Eastern African Fine Coffees Association (EAFCA). The organization's mission as to establish and promote partnerships and networks amongst those participating and having an interest in quality coffee production, processing, and marketing in the

Eastern Africa coffee-growing region. USAID/REDSO's Office of Food Security has set up a Global Development Alliance with FY02 funds to provide support to EAFCA.

Environmental Compliance: Plan for new or amended IEE or EA actions for coming year: An IEE will be prepared to cover Development Assistance (\$2.5 million in FY 2002 and \$3.5 million in FY 2003) activities under the UNDP Community Assistance Umbrella Program (CAUP), which supports community-level activities via four PVOs (Africare, CARE, Catholic Relief Services, World Vision) to help producers revitalize their agricultural production. A new Integrated Strategic Plan for 2003-2005 has been approved in Washington subject to the completion of a FAA 118-119 Tropical Forestry and Biodiversity Assessment. This will be completed in the second quarter of FY 2003.

Compliance with previously approved IEEs or EAs. A new Environmental Threats and Opportunities Assessment (ETOA) will be conducted this year. This ETOA will take into account the effects of the overall program on the environment, tropical forests, and biodiversity. No compliance documentation has been produced to date, as the Burundi Non-Presence Countries program has been in an emergency and transition mode since 1993, and is only beginning to initiate programs with DA resources. An environmental analysis was completed for the Burundi ISP and informed the choices reflected in the strategy.

Country Closeout & Graduation:

D. Results Framework

695-005 Foundation for a peaceful transition in Burundi established

Discussion: